

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 13332 01 OF 02 132116Z
ACTION EUR-12

INFO OCT-01 ISO-00 TRSE-00 STR-05 EB-08 XMB-02 CIAE-00
INR-07 NSAE-00 L-03 /038 W
-----081599 132156Z /75
P 132000Z SEP 77
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC PRIORITY 2087
USDOC WASHDC PRIORITY

LIMITED OFFICIAL USE SECTION 1 OF 2 MOSCOW 13332

DEPT PASS DEPT OF THE TREASURY

E.O. 11652: N/A
TAGS: EEWT, UR
SUBJECT: US-SOVIET TRADE RELATED MEETINGS

REF: STATE 216872

SUMMARY: WORKING LUNCH SEPTEMBER 12 WITH SOVIET MINISTRY
OF FOREIGN TRADE (MFT) OFFICIALS COVERED (A) INVITATION
TO MINISTER PATOLICHEV TO ATTEND TRADE AND ECONOMIC COUNCIL
(TEC) SESSION IN LOS ANGELES, SOVIETS SAID PATOLICHEV
REPLY WOULD COME IN TWO OR THREE DAYS; (B) ARRANGEMENTS
FOR TRADE SEMINARS TO BE HELD IN US AND USSR; (C) AGENDA
FOR FIRST MEETING WITH DEPUTY MINISTER MANZHULO PURSUANT
TO JOINT COMMERCIAL COMMISSION (JCC) JUNE SESSION.
SOVIET OFFICIALS ASKED THAT TWO YEAR EXTENSION FOR KAMA
BE AUTHORIZED BY TIME OF MEETING WITH MANZHULO IN LAST
THIRD OF SEPTEMBER. END SUMMARY.

1. ECONOMIC/COMMERCIAL
OUNSELOR AND USCO OFFICER MET
WITH ALBERT MEL'NIKOV, DEPUTY CHIEF OF AMERICAN STATES
DIVISION OF MFT AND REM GORBUNOV, EXECUTIVE SECRETARY OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 13332 01 OF 02 132116Z

JCC WITHIN MFT, FOR WORKING LUNCH SEPTEMBER 12.
PURPOSE WAS TO DISCUSS TWO PLANNED TRADE SEMINARS AND
FIRST MEETING OF EMBASSY WITH MFT UNDER ARRANGEMENTS
AGREED AT JUNE JCC SESSION IN WASHINGTON.

2. INVITATION TO PATOLICHEV: RESPONDING TO DIRECT
QUESTION, MEL'NIKOV REITERATED THAT MINISTER PATOLICHEV

WAS STILL ON "VACATION" BUT WOULD BE REPLYING TO SECRETARY BLUMENTHAL'S LETTER OF INVITATION. GORBUNOV THEN QUESTIONED WHETHER IN CONNECTION WITH TEC MEETING THE SOVIET SIDE WOULD BE RECEIVED "IN SAME MANNER" AS WAS US DELEGATION IN MOSCOW LAST YEAR. GORBUNOV EXPLAINED THAT "OUR CHIEF" (BREZHNEV) HAD RECEIVED THE AMERICAN DELEGATION. COUNSELOR NOTED THAT WHEREAS 1976 TEC SESSION HAD BEEN IN SOVIET CAPITAL, LOS ANGELES IS FAR FROM WASHINGTON. HE ASKED IF DELAY IN RESPONDING TO SECRETARY BLUMENTHAL'S INVITATION WAS RELATED TO QUESTION OF LEVEL AT WHICH PATOLICHEV MIGHT BE RECEIVED IN U.S. MEL'NIKOV QUICKLY REPLIED THAT THERE WAS NO CONNECTION AND THAT FORMAL REPLY WILL BE SENT "IN TWO OR THREE DAYS." (COMMENT: WE HAVE HEARD THROUGH LOCAL OFFICE OF TEC THAT PATOLICHEV'S HESITATION IN REPLY STEMS FROM NEED TO BE PRESENT AT 60TH ANNIVERSARY OF BOLSHEVIK REVOLUTION CELEBRATION ON NOVEMBER 7 AND HIS DESIRE TO REST TWO DAYS AFTER ARRIVAL IN U.S. BEFORE BEGINNING ACTIVITIES. TEC AMERICAN VICE PRESIDENT HAS HEARD FROM DEPUTY MINISTER SUSHKOV THAT PATOLICHEV IS PLANNING TO ACCEPT INVITATION BUT WISHES TO SET BACK THE DATE SLIGHTLY TO ACCOMMODATE HIS DESIRE TO REST. IN ANY CASE, WE SHOULD BE HEARING DEFINITELY AT EARLY HOUR.)

3. DECEMBER TRADE SEMINAR:

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 13332 01 OF 02 132116Z

A) PROPOSALS: ASKED IF HIS AUGUST PROPOSAL FOR SPLIT SEMINARS WAS A FORMAL SOVIET PROPOSAL, MEL'NIKOV FIRST REPLIED IT WAS FORMAL IF USG ACCEPTED, HIS PERSONAL ONE IF USG DID NOT. HE HAD RECEIVED IMPRESSION THAT US SIDE IN WASHINGTON HAD REJECTED THIS PROPOSAL AND HAD MADE COUNTER-OFFER. COUNSELOR SAID THAT OUR FRESHLY ARRIVED REPORT ON THAT MEETING INDICATED THAT WE WERE NOT OPPOSED TO PROPOSAL BUT WANTED ASSURANCE IT WAS OFFICIAL. MEL'NIKOV THEN SAID IT HAD BEEN APPROVED BY DEPUTY MINISTER MANZHULO AND WAS A FORMAL PROPOSAL WHICH SOVIETS STILL FAVOR. IN TURN HE ASKED TO BE INFORMED ASAP WHETHER US SIDE ACCEPTS THE SOVIET PROPOSAL.

B) AGENDA: MEL'NIKOV STATED THAT SOVIETS HAD NO PROBLEMS WITH SUBJECTS PROPOSED BY U.S. ALL POINTS WOULD BE COVERED BY SOVIET SIDE. HOWEVER, THEY MIGHT NOT NECESSARILY BE COVERED UNDER PRECISE FORMAT ADVANCED BY U.S. THERE MIGHT BE FOUR PRESENTATIONS OR PERHAPS EIGHT. ASKED WHAT SPECIFIC INFORMATION SOVIETS COULD SUPPLY, MEL'NIKOV SAID THAT BEFORE END OF SEPTEMBER HE COULD SUPPLY LIST OF PRESENTATIONS WHICH SOVIET TEAM WOULD MAKE. THIS WOULD BE TITLES ONLY SINCE THE

SPECIALISTS WOULD PROVIDE THE SUBSTANCE. HE AGREED, HOWEVER, TO GIVE US FURTHER INFORMATION THAN THIS AS PREPARATIONS FOR SEMINAR ADVANCED.

C) DELEGATION: MEL'NIKOV DID NOT COMMENT ON LEVEL OF LEADERSHIP OF SOVIET DELEGATION AND IN LIGHT OF IN-DIFFERENCE OF WASHINGTON AGENCIES (REFTEL) ON THIS POINT, WE DID NOT RAISE IT. IMPLICATION WAS, HOWEVER, THAT MEL'NIKOV WOULD HEAD TEAM. HE ENVISIONED FROM SEVEN TO TEN MEMBERS, INCLUDING CHAMBER OF COMMERCE REPRESENTATIVE (HE MENTIONED SOLNTSEV), ADVERTISING AGENCY VNESHTOGREKLAMA, TWO FOREIGN TRADE ORGANIZATIONS (REPRESENTATING RAW MATERIALS AND INDUSTRIALS) AND TWO CHIEFS OR DEPUTY CHIEFS OF MAIN DEPARTMENTS (PRESUMABLY OF MFT).
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MOSCOW 13332 01 OF 02 132116Z

D) TOUR: SOVIETS HAD HEARD NOTHING OF IDEA OF TOURING THREE CITIES, ACCORDING TO MEL'NIKOV, BUT FELT THAT PROGRAMMING WAS UP TO THE AMERICAN SIDE. HE FELT THAT AT LEAST TWO DAYS TIME WOULD BE REQUIRED FOR EACH CITY INCLUDED ON TOUR.

E) TEC ROLE: MEL'NIKOV HAD HEARD NOTHING OF ANY TEC ROLE IN SEMINAR(S) BUT THOUGHT THAT IT MIGHT BE USEFUL, PARTICULARLY IF SEVERAL U.S. CITIES WERE INVOLVED.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 13332 02 OF 02 132134Z
ACTION EUR-12

INFO OCT-01 ISO-00 TRSE-00 STR-05 EB-08 XMB-02 CIAE-00
INR-07 NSAE-00 L-03 /038 W
-----081907 132154Z /75

P 132000Z SEP 77

FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC PRIORITY 2088
USDOC WASHDC PRIORITY

LIMITED OFFICIAL USE SECTION 2 OF 2 MOSCOW 13332

DEPT PASS DEPT OF THE TREASURY

4. 1978 SEMINAR:

A) AGENDA: MEL'NIKOV SAID THAT AGENDA FOR SEMINAR IN USSR IN 1978, ASSUMING HIS PROPOSAL WERE ACCEPTED, SHOULD BE IDENTICAL TO THAT OF SEMINAR IN U.S. ON ONE U.S. POINT, HOWEVER, SOVIET SIDE HAD PERCEIVED SOME OBJECTION. RATHER THAN DISCUSS U.S. IMPORT REGULATION, SOVIETS WOULD RATHER HEAR ABOUT U.S. EXPORT CONTROLS FOR GROUP OF STATES IN WHICH USSR IS INCLUDED. COUNSELOR COMMENTED THAT DISCUSSION OF U.S. EXPORT CONTROLS WOULD NOT FALL STRICTLY WITHIN GENERAL THEME OF INFORMING SOVIETS HOW TO SELL ON U.S. MARKET. MEL'NIKOV SAID THAT SOVIETS WOULD LIKE TO HEAR ABOUT THIS SUBJECT ANYWAY.

B) U.S. TEAM: COUNSELOR EXPLAINED U.S. PRELIMINARY VIEWS (REFTEL, PARA 5). MEL'NIKOV RAISED EYEBROWS AT MENTION OF ACADEMICIAN BUT MADE NO COMMENT.

5. EMBASSY/MFT MEETING: IN ACCORDANCE WITH PRIOR SOVIET REQUEST, COCOUNSELOR INDICATED THAT WE WOULD LIKE TO RAISE FOLLOWING GENERAL SUBJECTS IN FIRST MEETING WITH MFT PURSUANT TO JUNE SESSION OF JCC:
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 13332 02 OF 02 132134Z

A) PROBLEMS OF ACCREDITED U.S. FIRMS: WE EXPLAINED THAT MULTIPLE ENTRY VISAS AND TRAINING FOR LOCAL EMPLOYEES OF U.S. FIRMS WOULD CERTAINLY BE COVERED, BUT THAT LIST WAS NOT NECESSARILY EXHAUSTIVE.

B) PROBLEMS OF U.S. TECHNICIANS ON PROJECTS IN USSR: MOL'NIKOV COMMENTED THAT THESE WERE ONLY AT TOGLIATTI. WE EDIFIED HIM ON THAT POINT AND NOTED THAT IT WAS IMPORTANT TO ENSURE CONDITIONS UNDER WHICH AMERICAN SPECIALISTS WOULD BE WILLING TO WORK IN USSR.

C) PROBLEMS OF USCO: WE NOTED THAT QUESTION OF STORAGE IN CONNECTION WITH EXHIBITS WOULD BE RAISED. MEL'NIKOV ASKED IF A BONDED WAREHOUSE WOULD NOT RESOLVE THIS PROBLEM. USCO OFFICER EXPLAINED THAT OUR NEEDS ARE DISCRETE AND THAT WE ARE OFTEN REPRESENTING SMALL OR NEW-TO-MARKET FIRMS WHO WOULD NOT BE EXPECTED TO USE BONDED WAREHOUSE, A FACILITY MORE APPROPRIATE FOR ESTABLISHED FIRMS DOING CONSIDERABLE BUSINESS HERE.

D) PROSPECTS FOR OIL AND GAS: COUNSELOR EXPLAINED

HE HAD BEEN ASKED TO BRIEF NEFTA-GAZ EXHIBITORS NEXT MONTH AND WOULD WELCOME SOVIET STATEMENT ON THEIR POTENTIAL COMMERCIAL NEEDS IN THIS GENERAL AREA.

E) TRADE SEMINARS: ANY PROBLEMS OF TRADE SEMINARS COULD ALSO BE DISCUSSED IN THIS FORUM. MEL'NIKOV THOUGHT SOVIET SIDE WOULD CERTAINLY WISH TO DO SO.

F. EXTENSION OF KAMA PURCHASING COMMISSION:
NOTING THAT KAMA AUTHORIZATION WOULD EXPIRE OCTOBER 18, MEL'NIKOV ASKED RATHER INSISTENTLY THAT BY TIME OF LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 13332 02 OF 02 132134Z

MEETING, WE BE READY TO GRANT KAMA TWO YEAR EXTENSION. HE NOTED THAT SEVERAL U.S. FIRMS ALREADY HAVE TWO YEAR ACCREDITATION. COUNSELOR COMMENTED THAT THERE HAD BEEN SOME MISINFORMATION ON THIS POINT. FOR EXAMPLE, OUR THREE BANKS HAD ONLY ONE YEAR ACCREDITATION. MOREOVER, THOSE U.S. FIRMS SINGLE OUT FOR TWO YEAR ACCREDITATION USUALLY WERE IN PRACTICE OF BUYING AS MUCH OR MORE THAT THEY SOLD TO USSR. MEL'NIKOV RESPONDED SOMEWHAT AGGRESSIVELY THAT WE SHOULD TRY BEING GENEROUS AND NOT SEEK TO WAIT UNTIL HALF OF THE U.S. FIRMS ACCREDITED IN USSR WERE ON TWO YEAR BASIS.

G) LEVEL AND PARTICIPATION: MEL'NIKOV EXPLAINED THAT DEPUTY MINISTER MANZHULO WOULD NOT BE AVAILABLE UNTIL LATE THIS MONTH, WHEREAS NIKOLAY ZINOVYEV, CHIEF OF AMERICAN STATES SECTION OF MFT, WAS AVAILABLE TO MEET AT ANY TIME. COUNSELOR EXPLAINED THAT WITH ALL DUE RESPECT TO ZINOVYEV, WE FELT THAT LEVEL SHOULD BE KEPT ON PAR WITH THAT IN WASHINGTON, WHERE DAS REICH HAD CHAIRED FIRST MEETING. MEL'NIKOV THEN SAID THAT MANZHULO HAD ALREADY GIVEN HIS AGREEMENT TO THE MEETING. COUNSELOR SAID THAT UNLESS WE GIVE FURTHER NOTICE, OUR REPRESENTATION WILL BE ENTIRELY USG AT FIRST SESSION, BUT THIS SHOULD NOT BE TAKEN AS A PRECEDENT FOR LATER MEETINGS TO WHICH WE MIGHT ASK THAT AMERICAN BUSINESSMEN BE INVITED.

6. WE NOTED THAT IN DISCUSSING SEMINARS, IN PARTICULAR, THERE SEEMED TO BE SOME DANGER THAT THERE MIGHT BE DIFFERING CONCLUSIONS AND UNDERSTANDINGS IF A SUBJECT WERE BEING DISCUSSED IN BOTH CAPITALS. MEL'NIKOV STATED THAT MRKTUMOV WILL STATE IN WASHINGTON PRECISELY WHAT HE HAD SAID ON THIS OCCASION.

7. COMMENT AND ACTION REQUESTED: INASMUCH AS SOVIET LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MOSCOW 13332 02 OF 02 132134Z

SIDE SEEMS TO WANT USG ASSURANCE THAT PROPOSAL FOR SPLIT SEMINARS HAS BEEN ACCEPTED, WE REQUEST THAT THIS BE CONVEYED TO SOVIET TRADE REP IN WASHINGTON AND THAT WE BE AT THE SAME TIME INSTRUCTED TO CONFIRM THIS TO MFT. SOVIETS APPEAR TO HAVE ACCPETED GENERAL USG AGENDA, BUT STILL PREFER TO HAVE PACKAGE SPLIT IN TWO ALONG LINES INDICATED. SINCE OPERATIONAL ACTIVITIES ARE BEING DISCUSSED IN BOTH CAPITALS, WE REQUEST THAT WE BE INFORMED TELEGRAPHICALLY OF HIGHLIGHTS OF MEETING WITH SOVIET OFFICIALS IN WASHINGTON.

8. WITH SPECIAL REFERENCE TO ROLE OF TEC IN TRADE SEMINARS WE LEAVE TO JUDGEMENT OF WASHINGTON AGENCIES HOW IT CAN BEST BE UTILIZED IN SUPPORT OF COMMON GOAL. SINCE THE SEMINARS ARE UNDER AEGIS OF INTER-GOVERNMENT JCC, HOWEVER, AND MANZHULO IS RESPONSIBL SOVIET OFFICIAL,

WE OF COURSE WISH TO BE THE CHANNEL TO HIM FOR ANY STATEMENT OF USG VIEWS, AS DISTINCT FROM THOSE OF TEC. SINCE HAROLD SCOTT WILL BE MEETING WITH NUMBER OF SOVIET OFFICIALS TO WHOM OUR OWN ACCESS IS LIMITED (WE UNDERSTAND HE PLANS TO SEE PATOLICHEV SEPTEMBER 16), WE WOULD WELCOME ANY INFORMATION KNOWN IN WASHINGTON ABOUT LINE WHICH HE IS LIKELY TO TAKE WITH SOVIET MFT OFFICIALS HERE. WE HAVE ALSO HEARD RUMOR THAT DONAL KENDALL WILL BE COMING AT END OF MONTH AND WOULD APPRECIATE LEARNING IF DEPT. OR USDOC IS AWARE OF HIS PLANS.
TOON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, SEMINARS, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 13-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MOSCOW13332
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770332-0169
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770970/aaaacgwp.tel
Line Count: 311
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1adf7f47-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 216872
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 14-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1295840
Secure: OPEN
Status: NATIVE
Subject: US-SOVIET TRADE RELATED MEETINGS
TAGS: EEWT, UR
To: STATE COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/1adf7f47-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009